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CORE DOCUMENT

Programme

SUMMARY

This document outlines the governance, management and operational procedures of ERS Programme v0.9. It includes guidelines for the administration of restoration units and Project financing.



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Governance

In order to ensure the highest integrity and governance standards, ERS has implemented the following procedures:

ERS GOVERNANCE

ERS is a French Simplified joint stock company (“Société par actions simplifiée”) registered with the Paris Trade and Company Register under number 891 908 576. ERS is a for-purpose company (“Entreprise à Mission”), its mission is embedded in its legal status and is governed by both an internal committee and an external auditor each year.

STANDARD GOVERNANCE

1. The Standard (Programme and Methodology) is drafted by ERS.
2. The draft is then submitted to a Paid Technical Advisory Committee for review.
 - 2.1. The Technical Advisory Committee should be composed of Developers, researchers in ecology, and professionals from the voluntary carbon markets.
3. The Standard is administered by ERS.



TRANSPARENCY

1. For all Projects, certification, annual reports, and any other relevant information are transparently and publicly disclosed on the ERS Registry.
 - 1.1. Project Design Document is published at the moment of certification
 - 1.2. Annual Reports are published during the first quarter of the successive year
2. ERS can be contacted at info@ers.org and guarantees a response in under five business days.



Restoration *Units*

This section highlights all rules and procedures governing Restoration Units, defined as a tradable unit equivalent to a 1tCO₂eq with the associated biodiversity and livelihood benefits.

PROJECT FINANCING

1. Financing Mechanism

- 1.1. Projects are financed according to the Project's budget and activity timeline established in the Project Due Diligence.
- 1.2. The price of a Restoration Unit must be negotiated directly between the Developer and the Funder.
- 1.3. The ERS' Certification Agent unlocks funds to the Developer according to the [Project Budget & Activity Timeline](#).
 - 1.3.1. Before unlocking funds, ERS must receive and validate probationary documents, as set-out in the Verification Schedule in the certification contract. Probationary documents include, but are not limited to photos and reports of the completion of Project activities, signed work contracts and purchase agreements.
- 1.4. Of all the funding received, at least 70% of a Restoration Unit's value must go to the ground.
 - 1.4.1. These 70% include but are not limited to hiring of personnel, construction of Project infrastructure, purchase of provisionings including equipment, travel expenses, community compensation, capacity-building, and others.



- 1.4.2. Budget can be used for paying operational costs of the Developer. This must however be calculated pro-rata to the Project's usage of the service.
- 1.4.3. The remaining 30% can be used for other aspects of the Project, including certification and brokerage fees.
- 1.4.4. In case of non-conformity, the Certification Agent must suspend fund transfers and open an investigation. Transfers will only resume once funding usage has been clarified.

2. Investment procedure

- 2.1. A contract must be signed between the Developer and ERS, and the Funder and ERS, establishing the terms of payment, obligations, and rights of all parties.
- 2.2. The final Project Design Document is published on the ERS Registry.
- 2.3. Funding is transferred from the Funder to ERS's account, following the agreed-upon Payment Schedule.
- 2.4. Once funds of the first instalment are transferred to the account, the purchased PRUs are transferred to the Funder's account in the registry. ERS ensures the transaction.

PROJECTED RESTORATION UNITS (PRUs)

1. Issuance

- 1.1. Once the Project is certified, ERS will issue Projected Restoration Units (PRUs) that represent future carbon sequestration.
 - 1.1.1. PRUs cannot be retired.
- 1.2. Of the total issued PRUs, the designated amount based on the Project's risk score rounded up is transferred to the Buffer Pool, and remaining credits rounded down are transferred to the Funder's account.





VERIFIED RESTORATION UNITS (VRUs)

1. Issuance.

- 1.1. PRUs are converted into VRUs every two years starting at year two, after Digital Verification performed by ERS.
- 1.2. VRUs are split into vintages according to the year they are issued.
- 1.3. The Funder(s) and the Buffer Pool are attributed VRUs according to the proportion of their PRUs. Volumes are rounded up or down to the closest integral number.
 - 1.3.1. Residual Restoration Units resulting from rounding operations are credited to or subtracted from the Buffer Pool account to balance the total credit volume.

CREDIT TRADING RULES

1. All Restoration Units (PRUs and VRUs) can be traded in the ERS Registry.
2. Only VRUs can be retired.

PROJECT DELIVERY

1. Project Delay

- 1.1. A Project is considered delayed when climatic events (such as drought), external hurdles out of the control of the Developer (such as delayed delivery of purchased provisions) or Developer inaction (such as the late purchase of provisions), postpone the date of the start of activities' timeline but do not derail them.



- 1.2. In case of delay, the Developer must submit an updated [Project Budget & Activity Timeline](#).
- 1.3. The total amount of Restoration Units is not recalculated. Adjustments are made at the end of the issuing period.

2. Project Failure

- 2.1. A Project is considered to fail when an event permanently derails Project's activities from happening, resulting in the Project's termination. Examples of said events can be civil war, Developer default, change in the host country's legislation, and irreversible grievance between Stakeholders.
- 2.2. In case of failure, ERS must rule on the cause of the Project's termination. If the Developer is found faulty, the Funder must be compensated the equivalent of the total amount of remaining-to-be-converted PRUs and VRUs
 - 2.2.1. Terms and obligations of refund, including delay and form of payment, are determined in the multilateral contract and agreed upon by all parties before the Project starts.
 - 2.2.2. In case of failure, PRUs and VRUs that remain to be converted are cancelled.

3. Underperformance and Overperformance

- 3.1. Projects can underperform or overperform, resulting in more or less Restoration Units than projected at the beginning of the Project. Project under and over performance can be due to diverse factors, such as meteorological conditions, overconservative projections, quality of seedlings and soil, among others.
- 3.2. Over and under performances are calculated biennially following the Digital Verification.



- 3.3. If underperformance is verified, the equivalent volume of PRUs will not be converted to VRUs.
 - 3.3.1. At the end of the Project's issuance period, all non-converted PRUs (due to underperformance) will be automatically cancelled.
- 3.4. If overperformance is verified, new VRUs are generated with the year of the verification and attributed to the Funder without the need for any additional payment.
 - 3.4.1. These VRUs have the same properties as any other vintage and can be retired at the discretion of the Funder.

BUFFER POOL

The ERS Buffer Pool works as a common insurance mechanism to ensure the permanence of certified Project and cover against the risk of reversals.

1. Participation

- 1.1. A proportion of restoration units, determined according to the Project Risk Score must be set aside as participation in ERS' Buffer Pool.
- 1.2. The Buffer Pool will serve to compensate for cases where carbon sequestration has been overestimated and against natural disturbance events affecting the permanence of a Project. Qualifying events are:
 - 1.2.1. Natural disasters;
 - 1.2.2. Extreme weather due to climate change.
- 1.1. Restoration Units in the Buffer Pool can never be sold, even if Projects reach their full carbon capacity.
- 1.2. Credits in the Buffer Pool are monitored for a period of 100 years. At the end of this period, unused credits must be retired.



- 1.3. Events resulting from negligence of the Developer, intentional destruction or disturbance of the restoration area, induced by the Developer or not, are not subject to compensation by the Buffer Pool.

REGISTRY

1. Restoration Units (PRUs and VRUs) can only be issued, traded, retired and cancelled in the [ERS Registry](#).
2. All Project-related documentation must be uploaded to the Registry and must be made publicly available.



Project *Grievances*

1. ERS must have a Grievance Redress Mechanism (GRM) platform which offers Projects' Stakeholders an opportunity to raise concerns.
 - 1.1. A hotline via an email address, telephone and/or WhatsApp must be available 24/7, and solely dedicated to receiving claims such as complaints, alerts, or any other type of grievance or non-conformity related to a certified Project.
 - 1.2. Any physical or moral person can make use of the system.
 - 1.3. ERS must acknowledge the receipt of grievances to its issuer within 2 business days.
2. The Developer must ensure all Stakeholders are aware of the grievance mechanism put in place by ERS
3. **Evidence.** All claims must be supported by evidence and include the date and time of their occurrence, a detailed description, and their consequences (if any).
4. **Identity.** The identity of the submitter cannot, under any circumstances, be disclosed publicly or to any other party that is not part of the ERS' grievance resolution team, unless explicitly authorised by the claim submitter.
5. **Proceedings.** When a claim is received, all funding transfers to the Project must be immediately stopped, and ERS must contact the involved parties and start a thorough investigation on all claims. If requested, all parties (Developer, Stakeholders, and claim submitter) must disclose to ERS all documents that can support the conflict's resolution.
6. **Timing.** ERS has 60 days to provide an official decision on the claim via a final and official report containing: the name of the investigator(s), the Project ID, the claim, evidence considered essential for the final decision, and written decision on the matter with justification.



7. **Resolution.** If the claim is confirmed to be true, ERS must proceed with measures that can range from demanding a mitigation plan to the Developer, to the cancelling and integral reimbursement of the Project to its Funder. The severity of consequences is subject solely to ERS' discretion.
8. **Appeal.** A Developer has 15 days to appeal the decision made by ERS via an official email.
9. When applicable, financing will resume as soon as the matter is considered resolved.



Confidentiality

Respecting the privacy of partners, staff, and of ERS itself is an essential value.

- **“Confidential”** means that employees and board members, who may be exposed to information which is confidential and/or privileged and proprietary in nature, are not permitted to disclose clients’ names or identity. No information may be released without appropriate authorization. Unauthorised disclosure of confidential or privileged information is a serious violation of this policy and will subject the person(s) who made the unauthorised disclosure to appropriate disciplinary sanctions.
- **“Confidential Information”** means all information disclosed by a party (“Disclosing Party”) to the other party (“Receiving Party”), whether orally or in writing, that is explicitly designated as confidential or that reasonably should be understood as such, given the nature of the information and the circumstances of disclosure. Confidential Information includes but it is not limited to personal, company and financial data, terms and conditions of contracts and agreement, as well as business, technology and technical information.



Ecosystem Restoration Standard

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